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MEMORANDUM

31 March 1949

TO: ADBO
THRU: COPS
FROM: Confidential Funds Branch
SUBJ: Representation Allowances

1. In the over-all approval by the ADBO of OSO station allotments for the fiscal year 1949, the majority of the field stations were granted annual allotments for representation expenses. Since this original allocation, the ADBO has granted representation allotments to other stations and also has granted representation allowances to specific individuals who are chiefs of stations. The Confidential Funds Branch, has, in turn, recorded these allotments as station allotments.

2. The Confidential Funds Regulations in Paragraph 6.3 state in part, "The Assistant Directors of Covert Offices are authorized to approve a representation allowance for an individual while at a particular post. Such allowances will be fully accountable." Literal interpretation of this regulation implies that these monies may be expended only by the individual to whom they were authorized. However, we are of the opinion that the intent of the regulations was not so limiting. We assume that the representational allowance has been granted to an individual (usually Chief of Station) and that he may at his discretion authorize the use of these funds to his subordinates for proper representational purposes. Accordingly, CFB has not handled these approved allowances as individual allowances, but rather as station allotments for the exclusive use of the Chief of Station or such other persons as he may specifically approve.

3. CFB has interpreted the regulations in accordance with the practices of the Foreign Service and other government agencies. It is common practice, for example, to authorize a representational allowance for a Foreign Service mission as a whole but under the complete control of the Chief of Mission. The amount of the allowance is determined by the importance of the representational function at the post and also reflects the number of diplomatic or consular officers who would be expected to "represent" the U. S. government. The Chief of Mission has the responsibility for distributing the representational funds among as many or few of his subordinates as he deems necessary.

4. This matter is raised in order to insure that CFB's interpretation of ADBO's authorizations of Representation Allowances is actually in accordance with ADBO's intent. If CFB is incorrect in this respect, it is requested that we be so advised.

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5. A copy of this is being sent to the General Counsel for their opinion as to whether CFB's interpretation of the regulations is reasonable in light of the limited wording of the regulations.


Chief, Confidential Funds Branch

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Approved: _____
ADSO

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